

Hotel Pierre: Palace in the Sky
By Stanley Turkel, MHS, ISHC

Did you read that a penthouse triplex at the Hotel Pierre in New York City is for sale for \$70 million, the highest price ever listed for a New York residence? At 13,660 square feet, that works out to \$5124 per square foot. The major feature of the triplex of the triplex is the 3,500 square foot Grand Salon which was the Club Pierrot, an exclusive supper club. But in the depths of the Depression, the Club disbanded in three months. Later, the Pierre Roof was the favored site for debutante receptions, weddings and gala banquets. It often featured Shep Fields and his Rippling Rhythm orchestra. In the hot New York summers before effective air conditioning, the Pierre advertised “the highest and coolest hotel roof in Manhattan” to compete with the Starlight Roof of the Waldorf-Astoria.

That’s the magic of The Pierre, the hotel that has been synonymous with European-styled elegance ever since restaurateur-turned-hotelier Charles Pierre Casalasco collaborated with Wall Street financiers to realize his dream of opening a grand French château on Fifth Avenue.

The son of Jacques Casalasco, owner of a restaurant in Ajaccio, Corsica (birthplace of Napoleon, incidentally), left Corsica at the age of eighteen and secured a job as a page boy at Monte Carlo’s Hotel Anglais in 1897. This was the golden age of the French Riviera where kings, princes and grand dukes came to vacation, eat and drink and gamble in the casino. Later, Pierre moved to Paris where he learned about food and beverage. Subsequently, he met Louis Sherry, the restaurateur in London and relocated to New York in 1904 with a job in the Sherry organization. He stayed for twelve years when he disagreed with Mr. Sherry’s refusal to allow women to smoke in his restaurant. After working at the old Ritz-Carlton at Madison Avenue and 46th Street, he opened his own restaurant at 11 East 45th Street and later another at 230 Park Avenue. In 1928, Elbridge T. Gerry, one of his oldest clients, died leaving a huge family house at 61st Street and Fifth Avenue to his son who did not want it. Backed by a group of financiers who admired his talent, this Corsican immigrant in the late 1920s raised the then-astounding sum of \$15 million from a group of investors that included Otto H. Kahn, Finley J. Shepherd, E. F. Hutton and Walter P. Chrysler to create a hotel that he hoped would be “a majestic monument to simplicity, beauty and refinement.”

Designed by Schultze & Weaver (who also designed the Waldorf-Astoria and the Sherry-Netherland), the 42 floor, 714-room hotel offered very large suites—up to nine rooms—and mixed permanent with transient guests. The plan of public rooms was complicated, multilevel and elegant. The oval Rotunda connected an Edwardian-style dining room (later converted into a banquet room) facing Fifth Avenue, with a double stairway leading to the Louis XV-style meeting rooms at the Madison Avenue end. In the 1930's a N.Y. guidebook said “the Pierre Hotel is beautiful, gorgeous, distinctive, catering only to those of refined tastes who can afford the best in the way of hotel luxury.” Charles Pierre died from an infection following appendicitis in September 1934. His obituary described the hotel as the realization of “dreams of his youth,” and in 1935 the employees installed a bronze memorial plaque in the lobby with the maxim by which he worked: “Be courteous. This is the most important rule of all.”

The Times, in an editorial tribute after his death, described him as “dark, quiet, courteous and efficient, meeting his patrons on the door in the charming Continental way – a very prince of caterers.”

The Hotel Pierre capped the evolution of Grand Army Plaza itself, ringed by Bergdorf-Goodman, the Plaza Hotel, the Squibb Building, the old Savoy-Plaza Hotel and the 38-story Sherry-Netherland. Together they defined what had become the city's most elite public square in a grouping that survived intact until the Savoy-Plaza was demolished for the General Motors Building in the 60's. This year Apple opened a block-long store on the GM plaza.

During the Depression, the Pierre went into bankruptcy in 1932 and was bought six years later by John Paul Getty for \$2.5 million in 1938. In 1958, Getty converted the Pierre into a cooperative and subsequently sold some of the hotel's suites to the likes of Cary Grant and Elizabeth Taylor. Some 70 coop-owners assumed ownership of the 200 transient guestrooms, restaurant, lounges, meeting rooms and public spaces. Getty built an adjacent office building and leased space on the second floor to the Pierre for an enlarged ballroom. Soon thereafter the Pierre Roof ballroom was closed because the new coop owners did not want to wait for elevator service when the rooftop ballroom was in use. For some 30 years thereafter, the rooftop

ballroom was used by the hotel for storage of old hotel files, records, furniture, equipment and for an upholstery shop.

In the early morning hours of January 2, 1972, five men carrying suitcases and wearing tuxedos entered the lobby of the Pierre Hotel. They proceeded to handcuff nineteen startled guests and employees and in less than two-and-a-half hours took from its safe deposit boxes an estimated \$10 million in precious gems and cash. The story of this Guinness Book record-holder robbery is told in Ira Berkow's, "The Man Who Robbed the Pierre," Athenaeum, New York (1987).

Operations changed hands several more times until Trust House Forte leased the Hotel in 1973. In 1986, a triple net lease was signed by Toronto-based Four Seasons which needed a landmark hotel in New York City.

In 1990, the coop board decided to renovate and in 1993 sold the 41st and 42nd floors for \$12 million to Lady Mary Fairfax, an Australian media heiress whose husband had recently died. Lady Fairfax hired Balamotis McAlpine Associates to create a stunning palace in the sky. They installed an 18-foot high limestone fireplace and mantle (originally from a French chateau) at the east end of the 75' x 46' x 23' Grand Salon. Lady Fairfax told me that the chandelier was salvaged from a demolished Melbourne, Australia theater.

Some six years later Lady Fairfax sold the triplex to investment banker Martin Zweig for \$21.5 million, then a record. If the triplex sells for upwards of \$70 million it will break the record for the largest residential deal in New York City.

In 2005, Taj Hotels, Resorts and Palaces succeeded Four Seasons as the new lessee and operator of the Pierre.

"The Pierre has all of the hallmarks of a great hotel—a rich heritage, a superb location and grand, old-world architecture. Taj Hotels has been searching for such a property for some time. We're delighted to make this our entry into the world-class New York market and we look forward to restoring the property to its richly deserved grande dame

status,” said Raymond Bickson, managing director, The Indian Hotels Company Ltd. (IHCL), which operates Taj Hotels, Resorts and Palaces.

The current mix of 200 hotel rooms and 80 residential apartments, is expected to remain the same under Taj management. In addition, Taj Hotels, Resorts and Palaces is investing \$35 million into revitalizing The Pierre to ensure it continues to rank as one of the top luxury hotel destinations in New York.

New York’s landmark hotel on Central Park at Fifth Avenue, The Pierre is a testament to understated elegance. With its distinctive design, superb location and outstanding service, The Pierre truly has earned its reputation as one of the world’s finest luxury hotels. A tranquil refuge in the heart of the city, the historic hotel combines the inviting comfort of the finest European residences with modern day amenities and impeccable standards of services. Undisputed choice for New York’s most important social gatherings and business meetings for seven decades. Across the street from Central Park, dining at Manhattan’s famed landmark can mean a classic afternoon tea beneath the colorful trompe loeil ceiling in the Rotunda or the gratifying experience of breakfast, lunch and dinner in Café Pierre, highlighted by impeccable service and acclaimed cuisine.

The Pierre has 24-hour operator-manned elevator service and a multilingual staff (more than 35 languages spoken). For seven decades, the Pierre’s beautiful banquet rooms have hosted the most notable social, cultural and civic events in New York, Superb catering, delicious food and meticulous service make each event as unique as it is memorable.

Established in 1903, Taj Hotels, Resorts and Palaces is one of Asia’s largest groups of hotels, comprising 56 hotels in 39 locations across India with an additional 17 international hotels in the Maldives, Mauritius, Malaysia, Seychelles, UK, USA, Bhutan, Sri Lanka, Africa and the Middle East. The Taj, a symbol of Indian hospitality, has recently completed the centenary of its landmark hotel, The Taj Mahal Palace and Tower, Mumbai. Taj Hotels, Resorts and Palaces is part of the Tata Group, India’s premier business house.

From June, 1995 through August, 2001, I served as the Executive Vice President of the 795 Fifth Avenue Corporation providing asset management oversight of Four Seasons for the owners of the Hotel Pierre.

Stanley Turkel, MHS, ISHC operates his hotel consulting office as a sole practitioner specializing in franchising issues, asset management and litigation support services. Turkel's clients are hotel owners and franchisees, investors and lending institutions. Turkel serves on the Board of Advisors at the NYU Tisch Center for Hospitality, Tourism and Sports Management. He is a member of the prestigious International Society of Hospitality Consultants. His provocative articles on various hotel subjects have been published in the Cornell Quarterly, Lodging Hospitality, Hotel Interactive, Hotel Online, AAHOA Lodging Business, Bottomline, New York Times, etc. If you need help with a hotel operations or franchising problem such as encroachment/impact, termination/liquidated damages or litigation support, don't hesitate to call 917-628-8549 or email stanturkel@aol.com.